MAIN FEATURES OF REVENUE BILL AFTER CHANGES IN CONFERENCE

6 BILLION REVENUE BILL IS AGREED TO

during such calendar year, upon the during such calendar year, upon the basis of which the net income is com-nuted under section 212 or section 232. The term "fiscal year" means an ac-counting period of twelve months end-

1913, have been distributed.

(c) A dividend paid in stock of the corporation shall be considered income to the amount of the earnings or profits distributed. Amounts distributed in the liquidation of a corporation shall be treated as payments in exchange for racek or shares, and any gain or profit realized thereby shall be taxed to the distributee as other gains or profits.

(d) If any stock dividend (1) is received by a taxpayer between January rates for the calendar year during within the calendar year 1919 is of the entire period, and (2) the same proportion of a tax for the entire period, and (2) the same proportion of a tax for the entire period, and (2) the same proportion of a tax for the entire period, and (2) the same proportion of a tax for the entire period, and (2) the same proportion of a tax for the entire period, and (2) the same proportion of a tax for the entire period, and (2) the same proportion of a tax for the entire period, and (2) the same proportion of a tax for the entire period, and (2) the same proportion of a tax for the entire period, and (2) the same proportion of a tax for the entire period, and (2) the same proportion of a tax for the entire period, and (2) the same proportion of a tax for the entire period, and (2) the same proportion of a tax for the entire period, and (2) the same proportion of a tax for the entire period, and (2) the same proportion of a tax for the entire period.

(C) If a fiscal year of a partnership to the entire period falling within the calendar year 1919 is of the entire period.

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(C) If a fiscal year of a partnership to the entire pe

treated as taking the place of the stock United States the rate upon the first or securities exchanged, and the amount \$4,000 of such excess amount shall be of the excess in par or face value shall 4 per centum. be treated as a gain to the extent that the fair market value of the new stock SURTAX.

Inguage, but is in effect nothing more than an 80 per cent. tax on profits in excess of the average pre-war profits, plus \$3,000. For years succeeding 1918 thick bracket is abolished altogether. The main features of the bill follow:

AN ACT—To provide revenue and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled:

Part I.—General Provisions.

DEFINITIONS.

Sec. 200. That when used in this states of America in Congress assembled:

The term "taxable year" means the calendar year, or the fiscal year ending such calendar year, or the fiscal year ending for the prosecution of the prosecution of the sincome exceeds \$56,000 and does not exceed \$58,000:

27 per centum of the amount by which the net income exceeds \$56,000 and does not exceed \$58,000:

28 per centum of the amount by which the net income exceeds \$60,000 and does not exceed \$60,000:

30 per centum of the amount by which the net income exceeds \$60,000 and does not exceed \$60,000 and does not exceed \$60,000:

29 per centum of the amount by which the net income exceeds \$60,000 and does not exceed \$60,000:

29 per centum of the amount by which the net income exceeds \$60,000 and does not exceed \$60,000:

29 per centum of the amount by which the net income exceeds \$60,000 and does not exceed \$60,000:

29 per centum of the amount by which the net income exceeds \$60,000 and does not exceed \$60,000:

29 per centum of the amount by which the net income exceeds \$60,000:

20 per centum of the amount by which the net income exceeds \$60,000 and does not exceed \$60,000:

20 per centum of the amount by which the net income exceeds \$60,000 and does not exceed \$60,000:

21 per centum of the amount by which the net income exceeds \$60,000 and does not exceed \$60,000:

22 per centum of the amount by which the net income exceeds \$60,000 and does not exceed \$60,000:

23 per centum of the amount by which the net income exceeds \$60,000 and does not exceed \$60,000:

25 per centum of the amount by whic excess of the deductions allowed by law (excluding in the case of corporations amounts allowed as a deduction under paragraph (6) of subdivision (a) of section 234) over the sum of the gross income plus any interest received free from taxation both under this title and under Title III.

(B) If for any taxable year beginning after Catabar 21, 1015 and and in prior and the case of the control of the amount by which after the case of the

earnings or profits accumulated prior to March 1, 1913, may be distributed in stock dividends or otherwise, exempt from the tax, after the earnings and profits accumulated since February 28, 1913, have been distributed.

entire period computed under this title at the rates specified for the calendar year 1918 which the portion of such period falling within the calendar year 1913 is of the entire period, and (2) the same proportion of a tax for the entire

(d) If any stock dividend (1) is received by a taxpayer between January 1 and November 1, 1918, both dates inclusive, or (2) is during such period being fide authorized or declared, and entered on the books of the corporation, and is received by a taxpayer after November 1, 1918, and before the expiration of thirty days after the passage of this act, then such dividend shall, in the manner provided in section 206, be taxed to the recipient at the rates presented by law for the years in which per's share of such partnership net income (determined unpartnership scribed by law for the years in which per's share of such partnership net in-the corporation accumulated the earn-ings or profits from which such dividend pilcable to such calendar year; equal to was paid, but the dividend shall be deemed to have been paid from the most feeding within such calendar feeding accumulated carnings or profits, year bears to the full fiscal year: Profits Any distribution made during the vided, that in the case of a personal serfirst sixty days of any taxable year shall vice corporation with respect to a fiscal

BILL IS AGREED TO

the fair market value of the new etock or securities is greater than the cost (or securities to greater tha

NET INCOME DEFINED.

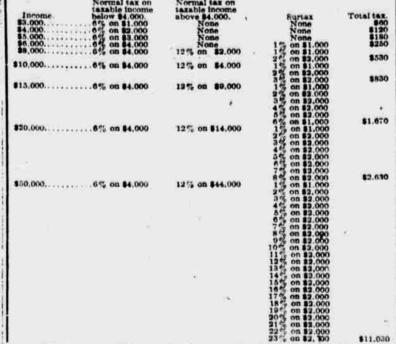
the calendar year

If a taxpayer changes his accounting whether by suit or agreement on acperiod from fiscal year to calendar count of such injuries or sickness; year, from calendar year to fiscal year (7) Income derived from any public or from one fiscal year to another the utility or the exercise of any essential

How the Bill Assesses Income Taxes on Married Men Without Dependent Children

Special Despatch to THE SUN. WASHINGTON, Feb. 6.—The table given below shows the tax mar-

ried men without dependent children will be called upon to pay on various incomes. The normal tax on the income received during the present year is 6 per cent. on the taxable amount up to \$4,000, and 12 per cent. on the taxable amount above that figure. The table



	The term "taxable year" means the	excluding in the case of corporations				3% on \$2,000		equitably apportioned between the lessor	own return the return shall be made by	this title or any other tax paid pursuant
	calendar year, or the fiscal year ending	amounts allowed as a deduction under	32 per centum of the amount by which the net income exceeds \$66,000 and does			4% on \$2,000		and lesses;	a duly authorized agent or by the guar- dian or other person charged with the	to the contract or provision referred to in that subdivision, shall be allowed;
						5% on \$2,000 6% on \$2,000		the taxable year to corporations organized	care of the person or property of such	(4) Losses sustained during the tax-
	basis of which the net income is com-	come plus any interest received free!	27 man annium of the amount by which			7 5 on \$2,000 8 7 on \$2,000 9 on \$2,000				able year and not compensated for by in-
	The turn tident pare" manne on ac-	from taxation both under this title and	the net income exceeds \$68,000 and does	1		9% on \$2,000	"	charitable, scientific or educational pur-		surance or otherwise;
	counting period of twelve months end-	under title III.	not exceed \$70,000 ·	1		10% on \$2,000		poses, or for the prevention of cruelty to	PARTNERSHIP RETURNS.	(5) Debts ascertained to be worthless
		(B) If for any taxable year beginning	34 per centum of the amount by which			11% on \$2,000 12% on \$2,000		children or animals, no part of the net	Sec. 224 That every partnership shall	and charged off within the taxable year;
	than December. The first taxable year.	after October 31, 1918, and ending prior	the net income exceeds \$70,000 and does	1		13% on \$2,000		earnings of which inures to the benefit	make a return for each taxable	(4) Amounts received as dividends
		to January 1, 1920, it appears upon the production of evidence satisfactory to				14% on \$2,000		of any private stockholder or individual, or to the special fund for vocational re-	year, stating specifically the items of its	from a corporation which is taxable un-
	be the calendar year 1918 or any necas	the Commissioner that any taxpayer has	so per centum of the amount by which	1		15% on \$2,000 16% on \$2,000		habilitation authorized by section 7 of		der this title upon its net income and
	and the second s	sustained a net loss, the amount of such i	mat awared \$74,000 -		190	17% on \$2,000 18% on \$2,000		the vocational rehabilitation act, to an	return the names and addresses of the	
	17.000	net loss shall under regulations pre-1		1		19% on \$2,000		amount not in excess of 15 per centum	individuals who would be entitled to	personal service corporation out of earn. ings or profits upon which income tar
		scribed by the Commissioner with their	*** *** !	1		20% on \$2,000 21% on \$2,000	£ 1	of the taxpayer's net income as computed	share in the net income if distributed	the bear lampered by not of Courses
	receiver conservator or any nerson act.	approvat of the secretary be deducted	not exceed \$76,000 :	1		22 on \$2,000 23 on \$2,100	5.00	without the benefit of this paragraph.	and the amount of the distributive share	(7) A reasonable allowance for the
	the in any advances connects for any	from the net income of the taxpayer for the preceding taxable year; and the	at per comum of the amount by which	Land to the state of	6 53 60			Such contributions or gifts shall be al-	of each individual. The return shall be	exhaustion, wear and tear of property
	person, trust or estate;	taxes imposed By this title and by Title	the net income exceeds \$76,000 and does	The taxes paid by men	in the same situ	ation in succeedi	ing years	lowable as deductions only if verified under rules and regulations prescribed	and in to by any	used in the trade or business, including
	The term "withholding agent means any person required to deduct and with-	III. for such preceding taxable year shall		would be as shown in the fo	llowing table:			by the Commissioner, with the approval	FIDUCIARY RETURNS.	a reasonable allowance for obsolescence
	any person required to deduct and with-	be redetermined accordingly. Any	as per centum of the amount by which	Varmal tax on	Vormal tax on		- 1	of the Secretary. In the case of a non-		(8) In the case of buildings ma-
	section 221 or section 237	amount found to be que to the taxpayer	not exceed \$80,000 -	Normal tax on taxable income	Normal tax on taxable income			resident alien individual this deduction	cept receivers appointed by authority of	chinery, equipment, or other facilities,
	Who a property the contract of the section of the s	upon the basis of such redetermination !		Income. below \$4,000.	above \$4,000.	Surtax.	Total tax.	shall be allowed only as to contributions	law in normersion of part only of the	
	tion" means a corporation whose in-	shall be credited or refunded to the tax-		\$3.000 4% on \$1,000 \$4.000 4% on \$1,000	None	None None	\$80	or gitts made to domestic corporations.	property of an individual) shall make	production of articles contributing to the
	come is to be ascribed primarily to the	payer in accordance with the provisions		\$5,000,	None	None	\$120	or to such vocational rehabilitation fund;	tender outh a pottern for the individual !	and a second of the property way and to
	activities of the principal owners or stockholders who are themselves regu-	cess of the net income for such preced-		\$8,000	5% on \$2,000	1% on \$1,000	5170	(12) (A) At the time of filing return	estate or trust for which he acts (1) if	the case of vessels constructed or ac-
	lasts assessed to the nother conduct of	ing taxable year, the amount of such i	the net income exceeds \$82,000 and does			2% on \$2,000	\$370			
	the affairs of the corneration and in	excess shall under regulations prescribed	not exceed \$84,000; 41 per centum of the amount by which	\$10.0004 % on \$4,000	8% on \$4,000	1 % on \$1,000 2 % on \$2,000		the fact that he has sustained a sub-	\$1,000 or over if single or if married	transportation of articles or men cor-
	which canttal (whether invested or hor-	by the Commissioner with the approval	the net income exceeds \$84,000 and does	#15 000 4E on #4 000	8.55 on \$0.000	3% on \$2,000	\$590	stantial loss (whether or not actually	12 000 or over if married and living with	ant war there shall be allowed a reason.
	rowed) is not a material income pro-	of the Secretary be allowed as a deduc-	not exceed \$86,000:	\$15,000 4 % on \$4,000	8% on \$9,000	1% on \$1,000 2% on \$2,000		i come of care of other disposition?	bushand or wife or i'll if the net in-	able deduction for the amortization of
	ducing factor; but does not include any	tion in computing the net income for the	42 per centum of the amount by which			3% on \$2,000	- 1	resulting from any material reduction	come of such estate or trust is \$1,000 or	
	foreign corporation, nor any corpora- tion 50 per centum or more of whose	(C) The benefit of this section shall	the net income exceeds \$86,000 and does			5% on \$2,000	1	(not due to temporary fluctuation) of the	over or if any beneficiary of such estate	or vessels as has been borne by the tax-
	gross income consists either (1) of	be allowed to the members of a partner-	not exceed \$88,000;	#20,000 #21 on #4,000	600 on \$14,000	6% on \$1,000	\$1,230	value of the inventory for such taxable	or trust is a non-resident alien, stating	payer, but not again including any
	gains, prefits, or income derived from	ship and the beneficiaries of an estate	to bet contain of the amount by which	\$20,0004% on \$4,000	8% on \$14,000	1 on \$1,000 2 on \$2,000				
	trading as a principal, or (2) of gains,	or trust under regulations prescribed by	the net income exceeds \$88,000 and does not exceed \$90,000;			3 % on \$2.000		in pursuance of contracts entered into	and the deductions and credits allowed by this title. Under such regulations as	title or previous acts of Congress as a
	profits, commissions, or other income.	the Commissioner with the approval of	44 per centum of the amount by which		'\	4% on \$2.000 5% on \$2.000	1	butting such year upon sales made dur-	the semmentance with the approval of	land time mithin three very with the
	derived from a Government contract or	the Secretary.	the net income exceeds \$90,000 and does			6% on \$2,000	0	ing such year. In such case payment	the acceptance their exemples a patrion	samples the present was the Com-
	contracts made between April 6, 1917.	Sec. 205. (A) That if a taxpayer	not exceed \$92,000;		EDIDO VARIANTINI ATRINI	7% on \$2.000 8% on \$2.000	\$1.990	or the windant of the far covered by	made by one of two or more tains fiducial	meta-lacens make and of the requirest of the
	and November 11, 1918, both dates in-	makes return for a fiscal year beginning	45 per centum of the amount by which	\$50,000	8% on \$44,000	1% on \$1.000	# 57.500 PC			
	The term "paid," for the purposes of		the net income exceeds \$92,000 and does			3% on \$2.000		I the claim is decided, but the mapayer	laster of the district whomas gurb Directal	and if he then finds as a result of so
	the deductions and credits under this	der this title for the first taxable year	not exceed \$94,000;			4% on \$4,000		in double the amount of the tax cov-	ary resides shall be a sufficient compli- ance with the above requirement. The	appraisal or from other evidence that the
	title, means "paid or accrued" or "paid	shall be the sum of: (1) The same pro-	46 per centum of the amount by which the net income exceeds \$94,000 and does			5% on \$2,000 6% on \$2,000		I ched by the Chain, with sufferien shift.	delicationer whall wonden much that he has	want the town immoded by this title and
	or incurred," and the terms "paid or			1		7% on \$2,000		lactory to the Commissioner, conditioned	authorate knowledge of the office of	has much tit for the year or years at-
	incurred" and "paid or accrued" shall be construed according to the method	art of 1916 as amanded by the revenue	47 per centum of the amount by which	1		8% on \$2,000 9% on \$2,000		i to the payment of any part of Buch	much individual estate or trust to en-	footed sholl be redetermined and the
	of accounting upon the basis of which	act of 1917 and under title I of the	the net income exceeds \$96,000 and does			10% on \$2,000	- 1	tax found to be due, with interest if	able him to make the refurn and that	amount of the due upon such redetermi-
	the net income is commuted under section	revenue act of 1917 which the portion of	not exceed \$98,000;			11% on \$2.000 12% on \$2.000	- 1	then the remainder of the tax due shall	the same is to the best of his knowledge	
	•1º	much mariad falling within the calandar	1 10 per centum of the amount by which			13% on \$2,000		on notice and demand by the collector	and belief true and correct. Fiduciaries required to make returns	and demand by the collector, or the
		year 1917 is of the entire period, and (2)	the net income exceeds \$98,000 and does	il '		14% on \$2,000 15% on \$2,000		be paid by the taxpayer with interest	under this act shall be subjected to all	aredited or refunded to the texnator in
	DIVIDENDS.	the same proportion of a tax for the	52 per centum of the amount by which	H		16% on \$2,000 17% on \$2,000				accordance with the provisions of sec-
	Sec. 201. (a) That the term "divi-	at the rates for the calendar year 1918	the net income exceeds \$100,000 and	1		18% on \$2,000		trom the time the tax would have been	to individuals.	tion 252.
	dend" when used in this title (except	which the portion of such period falling	does not exceed \$150,000:			19% on \$2,000		due had no such claim been filed. If		(9) In the case of mines, oil and gas
	in paragraph (10) of subdivision (a)	within the calendar year 1918 is of the	56 per centum of the amount by which		1	20% on \$2,000 21% on \$2,000		Commissioner that such substantial loss	RETURNS WHEN ACCOUNTING	ment, nemer menter or position to the
	of section 234) means (1) any distribu-	entire period : Provided that in the case	the net income exceeds \$150,000 and			22 on \$2,000 23 on \$2,000	89,120	has been sustained, then in computing	PERIODS CHANGED.	tion and for depreciation of improve-
	flon made by a corporation, other than	of a personal service corporation the	does not exceed \$200,000;			24 - 00 \$2.000	19,120	the tax imposed by this title the amount	Section 226 makes provision for re-	ments, according to the peculiar condi-
	a personal service corporation, to its shareholders or members, whether in	specified in clause (1)	the net income exceeds \$200,000					of such loss shall be deducted from	turns, when the taxpayer changes the	tions in each case based upon cost in-
	cash or in other property or in stock	Any amount heretofore or hereafter	does not exceed \$300.000:	the second second make a community	shall be able were	in carreline on	nv +	the net income. (B) If no such claim is filed, but it is shown to the satis-	basis computing his net income from a	cluding cost of development not other-
	of the corporation, out of its earnings	neld on account of the tax imposed for	63 per centum of the amount by which							wise deducted: Provided, That in the
	the price accommutated bince bedrinkly	quel flacal year by firls I of the revenue	the net income exceeds \$300,000 and	(4) interest upon (a) the obl	gations ance for	salaries or other co	ompensation	the tarable year 1919 the tarnaver has	TIME AND PLACE FOR FILING	case of such properties acquired prior
										to March 1, 1913, the fair market value of the property (or the taxpayer's in-
	out of its earnings or profits accumus	act of 1917, and by title I of the revenue								terest therein) on that date shall be
	tated since February 28, 1913, and prior	the navment of the tax imposed for such	the net income exceeds \$500,000 and	Columbia; or (b) securities issue	d under required t	to be made as a con	dition to the	of such loss shall be deducted from the	Section err provides for the time of	taken in lieu of cost up to that date:
	to January 1, 1918.	Seed were by this set and if the amount	does not exceed \$1.000,000.	the provisions of the Federal IA	rm loan continued	use or passession.	for purposes	net income for the taxable year 1912 and the tax imposed by this title for	I making the return and the pince for	Provided further, That in the case of
	(b) Any distribution shall be deemed	as sold succeeds the amount of much too	as ber centenn or the amount by which	act of July 17, 1916; or (c) the	posses which the	tarnaver has not	property to	such year shall be redetermined ac-		mines, oil and gas wells, discovered by
	wave been made from earnings or	Immorand by this and or in the case of a	1 0 0 11 0 0 0 12 0 0 0 0 0 0 0 0 0 0 0	stone or (d) bonds tasued by	the War not takin	g title or in which	h he has no	cordingly. Any amount found to be due	UNDERSTATEMENT IN RETURNS.	the taxpayer, on or after March 1, 1913,
	profits unless all earnings and profits have first been distributed. Any distri-	personal service corporation, the amount		Finance Corporation: Provide	d, that equity :	5.		to the taxpayer upon the basis of such	Section 228 provides for dealing with	and not acquired as the result of pur- chase of a proven tract or lease, where
	bution made in the year 1918 or any	repectined in clause (1), the excess shall	I merce of the principal raide of the					redetermination shall be credited or re-	those who understate their returns.	the fair market value of the property is
	real increaster shall be deemed to have	with the provisions of section 252.	I broberto men peen demonstrated by	tions, securities or bonds enume	rated in the taxab	le year on indebted	iness, except	funded to the taxpayer in accordance		materially disproportionate to the cost.
	been made from earnings or profits ac-	(R) If a tax paver makes a rature for	prospecting or exploration and discovery	clauses (a), (b), (c) and (d)	shall, in on indebt	edness incurred or	continued to	with the provisions of Section 252.	Part III.—Corporations.	the depletion allowance shall be based
	cumulated since February 28, 1913, or,	a foral wase bartoning in 1918 and and-	work done by the taxpayer the portion	the return required by this title	ber and ties (other	r than obligations	f the Links	(b) In the case of a non-resident alien individual the deductions allowed	TAX ON CORPORATIONS.	upon the fair market value of the prop-
	In the case of a personal service cor-		tributable to much sale shall not avocad	amount of such obligations, s	ecurities States iss	sued after Septembe	er 24, 1917).	In paragraphs (1), (4) (7), (8), (9),	Sec. 230. (a) That in lieu of the taxes	erty at the date of the discovery, or within thirty days thereafter; such rea-
	puration, from the most recently accu-	such fiscal year shall be the sum of: (1)	20 per centum of the selling price of	and bonds owned by him and the	o income the intere	st upon which is wi	holly exempt	(15) (12) and clause (E) of paragraph		
	rarnings or profits accumulated prior to	autica nariod communited under this title	such property or interest.	received therefrom, in much lo	DELLI TREET LANDELL COMMO	Walley Philippin Philip Fif.	ie as income	1 (3) Of Subdivision (a) shall be allowed	lact of late, as amended by the revenue	the he made under rules and remissions
	March 1, 1913, may be distributed in	at the rates specified for the calendar	Andreas and the second	with such information as the	Commis- 1 to the tax	payer, or, in the ca	Me of a non-	only if and to the extent that they	lact of 1917, and by section 4 of the	to be presented by the Commissions
	stock dividends or otherwise, exempt	year 1918 which the portion of such	NET INCOME DEFINED.	sioner may require. In the case	of obli- resident a	allen individual, th	e proportion	have connected with income arising from	revenue act of 1917, there shall be levied	with the approval of the Sacratary In
11	If the tax, after the earnings and	named falling within the calendar year	C 010 (-1 mb-s t- st	gations of the United States issu	ed after of such if	come from sources	mount of his	a source within the United States; and	collected and paid for each taxable year upon the net income of every corpora-	the case of leases the deductions a-
1	promits accumulated since February 28,	1918 is of the entire period, and (2) the	Individual the term "net income" manne	September 1, 1917, and in the	nce Core United St	ates bears to the a	mount of his	the proper apportionment and allocation of the deductions with respect to	tion a tax at the following rates:	lowed by this paragraph shall be equit-
	1919, finve been distributed.	same proportion of a tax for the entire	late annual transmit on distance to	Dollar issued by the time Pilly	the Party I william to	The state of the same of the s	The street of the street	of the deductions with respect to	The state of the s	ably apportioned between the lessor and

come shall be computed on the basis of tion for personal injuries or sickness, the calendar year. plus the amount of any damages received

net income shall, with the approval of governmental function and accruing to the commissioner, be computed on the any State. Territory or the District of hasis of such new accounting period. Columbia, or any political subdivision of the commissioner, be computed on the any State. Territory or the District of basis of such new accounting period. Columbia, or any political subdivision of subject to the provisions of section 226. a State or Territory, or income secreting

books of such taxpayer; but if no such method of accounting has been so emments received from investments in the ployed or if the method employed does unit received from investments in the position shall be made upon such basis and in such manner as in the opinion of the commissioner does clearly reflect the income. If the taxpayer's annual accounting period is other than a fiscal year as defined in section 200 or if the ...

(5) The income of foreign Governments in the 222 or (c) by the authority of any State or Territory, or any county, school district, municipality, or other taxing subdivision of any State or Territory, not including those assessed against local benefits of a kind tending to increase the value of the proporty assessed; or (d) in the case of a citizen or resident of the United States, by the authority of triet, municipality, or other taxing subdivision of any State or Territory, not
including those assessed against local
benefits of a kind tending to increase
the value of the property assessed; or
(d) in the case of a citizen or resident
of the United States, by the authority of
any foreign country, except the amount
of income, war profits and excess profits

(b) Any amount paid out for new
buildings or for permanent improvements or betterments made to increase
the value of any property or estate.
(c) Any amount paid out for new
buildings or for permanent improvements or betterments made to increase
the value of any property or small paid out for new
buildings or for permanent improvements or betterments made to increase
the value of any property or small paid out for new
buildings or for permanent improvements or betterments made to increase
the value of any property or small property
or in making good the
exhaustion thereof for which an allowance is or has been made, or
(d) Premiums paid out for new year as defined in section 200 or if the (6) Amounts received, through accitaxpayer has no annual accounting pedent or health insurance or under work.

If the Linited States, by the authority of
taxpayer has no annual accounting pedent or health insurance or under work.

The compensation acts, as compensation of income, war profits and excess profits
taxpayer has no annual accounting pedent or health insurance or under work. any foreign country, except the amount ance is or use of income, war profits and excess profits (d) Premiums paid on any life intaxes allowed as a credit under section surance policy covering the life of any 222; or (e) in the case of a non-resident officer or employee, or of any person alien individual, by the authority of any financially interested in any trade or limited in the case of a non-resident of interested in any trade or limited in the case of a non-resident officer or employee. alien individual, by the authority of any foreign country (except income, war profits and excess profits taxes, and taxes assessed against local benefits of a directly a beneficiary under such policy. property assessed), upon property or business;

ALTON IN COME NUMBER TO DOTTERINY VIXING. The dark of the dark of

year or years affected shall be redeter-mined; and the amount of tax due upon such redetermination, if any, shall be raid upon notice and demand by the collector, or the amount of tax overpaid, if any, shall be credited or refunded to the taxpayer in accordance with the provisions of section 252;

(10) In the case of mines, oil and gas wells, other natural deposits, and timber, a reasonable allowance for depletion and the control of the contr

for depreciation of improvements, ac-cording to the peculiar conditions in each case, based upon cost including cost of development not otherwise deducted; Provided, That in the case of such prop-erties acquired prior to March 1, 1318, the fair market value of the property erties acquired prior to March 1, 1818, the fair market value of the property (or the taxpayer's interest therein) on that date shall be taken in lieu of cost up to that date: Provided further, That in the case of mines, oil and gas wells, discovered by the taxpayer, on or after March 1, 1913 and not acquired as the result of purchase of a proven tract or lease, where the fair market value of the property is materially disproportionate to the cost, the depletion allowance shall be based upon the fair market value of be based upon the fair market value of the property at the date of the discovery, or within thirty days thereafter; such or within thirty days thereafter; such reasonable allowance in all the above cases to be made under rules and regulations to be prescribed by the Commissioner with the approval of the Secretary. In the case of leases the deductions allowed by this paragraph shall be equitably apportioned between the lessor

received therefrom, in such form and from taxation under this title as income (3) of subdivision (a) shall be allowed act of 1915, as amended by the revenue act of 1917, and by section 4 of the signer may require. In the case of obligations of the United States issued after of such interest which the amount of his a source within the United States; and in the case of gross income from sources within the the proper apportionment and allocation upon the net income of every corpora-Sec. 212. (a) That in the case of an individual the term "net income" means the gross income as defined in section 214.

(b) The net income shall be computed upon give dupon gi

(a) Personal, living or family ex-

penses.

(b) Any amount paid out for new

Section 219 provides for the income

features property held in trust.

taxpayer.

Section 221 exempts mutual savings

banks, labor associations, fraternal orders, business leagues, &c. NET INCOME DEFINED. Sec. 232. That in the case of a cor-

poration subject to the tax imposed by

vided in subdivision (b) of section 212 tection of the holders of such party section 222 GROSS INCOME DEFINED.

Sec. 232. (a) That in the case of a

CREDITS ALLOWED.

Section 216. That for the purpose of the normal tax only there shall be allowed the following credits:

(1) In the case of allowed, in addition to the deduction subject to the tax imposed lowed in paragraphs (1) to (1) the normal tax only there shall be allowed the following credits:

(1) In the case of allowed, in addition to the deduction by section 230 the term "gross income" on account of premiums previous by them, and interest paid the account of premiums previous by them.

(2) All interest paid or accrued within the taxable year on its indebtedness, except on indebtedness incurred or continued to purchase or carry obligations or securities (other than obligations of the United States issued after September 24, 1917), the interest upon which is wholly exempt from taxation under this from the net income. (11)

the case of a foreign corporation, the proportion of such interest which the amount of its gross income from sources within the United States bears to the amount of its gross income from all sources within and without the United States bears to the amount of its gross income from all sources within and without the United States bears to the amount of its gross income from all sources within and without the United States bears to the amount of its gross income from all sources within and without the United States bears to the amount of its gross income from all sources within and without the United States bears to the amount of its gross income from sources within and without the United States bears to the amount of its gross income from sources within the United States bears to the amount of its gross income from sources within the United States bears to the amount of its gross income from sources within the United States bears to the amount of its gross income from sources within the United States bears to the amount of its gross income from sources within the United States bears to the amount of its gross income from sources within the United States bears to the amount of its gross income from sources within the United States bears to the amount of its gross income from sources within the United States bears to the amount of its gross income from sources within the United States bears to the amount of its gross income from sources within the United States bears to the amount of its gross income from sources within the United States bears to the amount of its gross income from sources within the United States bears to the amount of its gross income from sources within the United States bears to the amount of its gross income from sources within the United States bears to the amount of its gross income from sources within the United States bears to the amount of its gross income from sources within the United States bears to the amount of its gross income from sources within the United States bears to the amoun States:

TAXABLE TO STOCKHOLDERS.

Section 220 provides for the taxing of profits undistributed to stockholders by corporations.

PAYMENT OF TAX AT SOURCE.

Section 221 provides the terms for the payment of the tax at the source.

CREDIT TAXES.

Section 222 shows the system of credits for taxes paid in foreign countries.

INDIVIDUA L RETURNS.

Sec. 223, That every individual having a net income for the taxable year introlled States, except the amount of income, war profits and excess profits taxes allowed as a credit under section 238; or (c) by the authority of any State or Territory, or any county, school district, municipality, or other taxing subdivision of any State or Territory, not including those assessed against local benefits of a kind tending to increase the value of the property assessed; or (d) in the case of a domestic corporation, by the authority of any state or Territory, not including those assessed against local benefits of a kind tending to increase the value of the property assessed; or (d) in the case of a domestic corporation, by the authority of any foreign country, except the amount of income, war profits and excess profits taxes allowed as a credit under section 238; or (e) by the authority of any State or Territory, not including those assessed against local benefits of a kind tending to increase the value of the property assessed; or (d) in the case of a domestic corporation, by the authority of any foreign country, except the amount of income, war profits and excess profits taxes, and excess profits taxes, and excess profits taxes, and excess profits and excess profits taxes, and excess profits and excess profits and excess profits and excess profits taxes, and excess profits and excess profit (4) Losses sustained during the tax-able year and not compensated for by in-surance or otherwise;

ably apportioned between the lessor and (10) In the case of insurance com-panies, in addition to the above: (a) The net addition required by law to be made within the taxable year to reserve funds (including in the case of assess-ment insurance companies the actual deposit of sums with State or territorial officers pursuant to law as additions to guarantee or reserve funds), and (b) he sums other than dividends pass within the taxable year on policy and annuity contracts; (11) In the case of corporations issu-

ing policies covering life, health and ac cident insurance combined in one policy issued on the weekly premium naymen peration subject to the tax imposed by section 230 the term "net income" means the gross income as defined in section 231 less the deductions allowed by section 234, and the net income shall be to reserve funds as the Communication 234.

only:
(12) In the case of mutual marine there, shall be

